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SUBJECT: MAY 1 ELECTIONS: BROWN IS BLUE AND CAMERON
EMERGES VICTORIOUS

REF: LONDON 2203

Classified By: Pol Min Couns Maura Connelly, reasons 1.4 (b) and (d).

¶1. (C/NF) Summary. Prime Minister Gordon Brown is facing heavy losses in his first electoral test since becoming Prime Minister. With two thirds of the results counted from yesterday's local council elections in England and Wales, projections put Labour at just 24 percent of the total vote; this result will be the Labour Party's worst for more than 40 years. The big winners were the Conservatives, who are projected at 44 percent of the vote, a result, which in a Parliamentary election, would give the Tories a majority in the Commons. The London Mayoral results are to be announced during the evening May 2; Tory Boris Johnson is the expected winner. While the media may speculate, it is unlikely that Labour MPs will move to unseat Brown as party leader) in part because there is no apparent successor standing in the wings and Labour knows that intra-party squabbling would further weaken the party in the public's opinion) there is unhappiness and anger with the Prime Minister among the MPs with whom we spoke today. Labour MPs will want to see yet more changes in Brown's communications and political strategy team as well as new policies targeted at addressing the economic fears that were cited in exit polls as most voters, major concern. End summary.

Unhappy Labour MPs

¶2. (C/NF) The results in yesterday's voting for 4000 local council seats in England and Wales were, according to one loyal Labour MP, were a &disaster for the Party.⁸ After eleven years in power, Labour understands that voters use the mid-term local elections as a mechanism to register a protest, but with the departure last year of former PM Tony Blair, whose support for the Iraq War was believed to have dragged down support for Labour, the Party had hoped this year would be different under the new leadership of Gordon Brown. Still the Party played down expectations: in local elections last year, the Party polled its lowest results for decades at 27 per cent, a result which increased the pressure on then-Prime Minister Blair to name the date of his departure. A year on and Labour's stated aim had been to match or top last year's showing) but in the end even that goal proved too optimistic as the party polled its lowest figures since the 1960s.

¶3. (C/NF) While the media may speculate, it is unlikely that Labour MPs will move to unseat Brown as party leader) in part because there is no apparent successor standing in the wings and Labour knows that intra-party squabbling would further weaken the party in the public's opinion) there is unhappiness and anger with the Prime Minister among the MPs with whom we spoke today. Labour MPs say they want the Prime Minister to start listening to them and their constituents

and will put pressure on Brown to show that he can turn things around before the next general election, expected in 2010. MPs report that voters didn't raise any local issues during this campaign, only national issues) the cutting of the 10 per cent starting rate of tax, the economic fall out from the so-called &credit crunch8 and the number of immigrants arriving from Eastern Europe) all problems for which voters blame the Prime Minister. At a minimum, Labour MPs will want to see yet more changes in Brown's communications and political team, as well as new policies targeted at addressing the economic fears that were cited in exit polls as most voters' major concern. Brown may shake up the cabinet, although his advisors had been quoted in the press prior to the vote that a reshuffle was unlikely because it was not Brown's style and would show &more desperation8 than a bad vote result in the local elections justified.

Tories Win Big, But London Mayor Still to Be Announced

14. (C/NF) While giving a bloody nose to Labour, voters delivered sweeping gains to the Conservatives, revitalizing the Party with what is projected to be 44 per cent of the total popular vote. David Cameron should be delighted with his party's projected showing -- a 40 per cent share had been flagged by the UK media as the magic figure the Conservative Party needed to win to be able to claim it was on track to win the next Parliamentary election, and in the end the Tories exceeded that figure. David Cameron called it a &big moment8 for the Party, which also broke through into the North of England where it has traditionally been weak, winning the big northern city councils in Bury and North Tyneside. Despite the Party's success, which would give the Conservatives a resounding majority if repeated at a general

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election, Cameron struck a note of modesty telling his supporters the Tories cannot afford to hope that Labour's failings will be enough to guarantee future victories.

15. (C/NF) Prime Minister Brown is bracing himself for more bad news tonight when the results of the London Mayoral race are announced. It has been neck and neck during the campaign between the present Mayor, Labour's Ken Livingstone, and his Conservative rival, Boris Johnson (ref). Early exit polls suggest that turnout in London has been very high and that Johnson is the likely winner. Aides to the Prime Minister have been downplaying the significance of a Tory win in London -- the campaign has been dominated by personalities -- but they know that a lot is at stake here: both parties have thrown time and money at the London Mayoralty campaign and a Conservative win would enable the party to claim that it is now finally a credible alternative to Labour throughout the country. London is the jewel in the UK political crown and, as several of the London MPs with whom we have spoke have told us, a Tory victory for Johnson would give the Tories psychological momentum, as well as a logistical advantage in getting the vote out in London during the next general election.

Disappointment for the Liberal Democrats

16. (C/NF) The new Leader of the Liberal Democrats, Nick Clegg, said his party had &confounded expectations8 in this year's local elections, gaining 25 per cent of the vote share and beating Labour into third place. Although Clegg insisted that the party is @aining momentum,8 in reality the result is a mixed one and certainly wasn't the political breakthrough the party hoped to achieve under its new leader. Although the Liberal Democrats achieved some big wins in cities like Sheffield (Clegg's own constituency), they also lost some big local town halls) and the result is still a long way off the Party's record 30 per cent vote share won back in 2004. That triumph came on the back of the Party's vocal) and popular) opposition to the Iraq War. But with

the war no longer the political hot potato it once was, the Party has struggled to find another policy which resonates as successfully with voters.

Comment

¶7. (C/NF) Speaking this morning, Gordon Brown said he would learn lessons, reflect and move forward. And with two years before an election is due, he has the time to do so. But there is no doubt that the pressure is now on Brown. This morning he blamed the state of the economy) but as the man in charge of the economy for the past ten years, voters are blaming him for their economic fears. One MP said, &we need some good news from Brown. He needs to mark out some new policies and introduce some radical, eye-catching initiatives. The voters need to know what he stands for.⁸

¶8. (C/NF) Local elections are notoriously unreliable as a barometer for general elections. Voters know they can safely register a protest vote in the hope it administers a wake-up call to a tired administration. Yet Labour MPs know that if this had been a general election, many of them would have lost their seats. And the Conservative Party will be pleased that it has finally regained a foothold in the North of England, just as Labour is losing its grip in the South of England.

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